CLAIMS

That which is claimed is:

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A method of preparing a gene vector, said method comprising: 1.

- transforming yeast cells with a RKO clone and a yeast targeting cassette (YTC), wherein said RKO clone comprises agenomic clone insert, a yeast replication element, a yeast selectable marker, a bacterial origin of replication, optionally a bacterial selectable marker, and optionally a mammalian negative selection marker, and wherein said YTC comprises a bacterial/mammalian positive selection marker flanked by recombinogenic arms;
- maintaining said yeast cells under conditions wherein said b) RKO clone and said YTC undergo homologous recombination via said genomic clone insert and said recombinogenic arms to produce a gene targeting vector;
- selecting transformed yeast cells by their expression of said c) yeast selectable marker on said gene targeting vector or on said RKO clone;
- isolating said gene targeting vector and said RKO clone from d) said selected yeast cells;
- e) transforming bacterial cells with said gene targeting vector and said RKO clone;
- f) selecting transformed bacterial cells that grow on selective media that is selective for bacterial cells expressing said bacterial/mammalian positive selection marker, thereby selecting for bacterial cells transformed with said gene targeting vector; and
- g) isolating said gene targeting vector from said selected bacterial cells.
- 2. The method of claim 1 wherein said bacterial cells are Escherichia coli.
- 3. The method of claim 1 wherein said RKO clone is a cosmid and further comprises at least 1 Cos site.

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4. The method of claim 1 wherein said RKO clone further comprises a multiple cloning site, and wherein said genomic clone insert is present within said multiple cloning site.

5. The method of claim 1 wherein said YTC further comprises loxP or

FRT sites flanking said mammalian positive selection marker.

- 6. The method of claim 1 wherein said RKO clone comprises a mammalian negative selection marker.
 - 7. The method of claim 1 wherein said YTC is generated by a PCR reaction using chimeric oligonucleotides bearing sequence identity to both the bacterial/mammalian positive selection marker and the GRI.

8. The method of claim 1 wherein said YTC comprises an internal ribosomal entry site (IRES) element that allows protein translation of said bacterial/mammalian positive selection marker in mammalian cells to occur from mRNA transcripts driven by a promoter in the GRI.

- 9. The method of claim 1 wherein said bacterial/mammalian positive selection marker lacks a polyadenylation site on the 3' end thereof.
- 10. A method of preparing gene targeted mammalian cells having a targeted gene mutation, said method comprising:
 - a) transforming mammalian cells with said gene targeting vector
 of claim 1;
 - b) maintaining said mammalian cells under conditions wherein said gene targeting vector and the genome of said mammalian cells undergo homologous recombination to produce a gene targeted mammalian cell; and

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- c) selecting gene targeted mammalian cells wherein homologous recombination has occurred by selecting gene targeted mammalian cells for their expression of said bacterial/mammalian positive selection marker, thereby obtaining gene targeted mammalian cells containing said targeted gene mutation.
- 11. The method of claim 10 wherein said mammalian cells are stem cells.
- 12. The method of claim 10 wherein said mammalian cells are embryonic stem cells.
 - 13. The method of claim 10 wherein said RKO clone comprises a mammalian negative selection marker, and said gene targeted mammalian cells are selected for their expression of said bacterial/mammalian positive selection marker and by their non-expression of said mammalian negative selection marker.
 - 14. A method of making gene targeted mice, said method comprising:
 - a) combining a gene targeted mouse cell according to claim 11
 with an early mouse embryo to produce a gene targeted embryonic construct,
 and
 - b) introducing said gene targeted embryonic construct into a female host mouse, wherein said gene targeted embryonic construct is allowed to mature into a chimeric live whole mouse, said whole mouse thereby having a genome that includes said targeted gene mutation.
 - 15. A method of making homozygous gene targeted mice, said method comprising cross-breeding male and female mice obtained by the method of claim 14 to produce offspring mice, and selecting offspring mice from said cross-breeding that are homozygous for said targeted gene mutation.

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- 16. A gene targeting vector comprising a yeast replication element, a yeast selectable marker, a bacterial origin of replication, optionally a bacterial selectable marker, optionally a mammalian negative selection marker, and agenomic clone insert containing a bacterial/mammalian positive selection marker inserted therein.
- 17. The gene targeting vector of claim 16 wherein said gene targeting vector comprises a mammalian negative selection marker.
- 18. The gene targeting vector of claim 16 further comprising at least 1 Cos site.
 - 19. The gene targeting vector of claim 16 further comprising a multiple cloning site, and wherein said genomic clone insert is present within said multiple cloning site.
 - 20. The gene targeting vector of claim 16 further comprising loxP or FRT sites flanking said mammalian positive selection marker.